

Approved
October 18, 2006



**Executive Committee
Regular Meeting
Summary of Minutes**

**May 17, 2006
ABAG PLAN Corporation
101 Eighth Street, Oakland, CA
Conference Room B**

Presiding

Jim Steele, Chairman

Jurisdiction

Morgan Hill

Committee Members Present

Julie Carter

Dublin

Larry Anderson

Burlingame

Committee Members Present by

Teleconference

Orry Korb

Los Gatos

Jack Dilles

Morgan Hill

Committee Members Not Present

Cecilia Quick

Pacifica

Emma Karlen

Milpitas

Staff Present – ABAG PLAN Corporation

Marcus Beverly, ABAG Plan Risk Manager

Carol Taylor, ABAG Plan Secretary

1. Call To Order:

Jim Steele call meeting to order at 9:05 a.m.

2. PUBLIC COMMENTS:

There were no public comments.

3. APPROVAL OF MINUTES, FEBRUARY 15, 2006

Meeting minutes for February 15, 2006 were approved as presented.

/M/Carter/S/Anderson/C/unanimously approved.

4. ELECTION OF OFFICERS FOR FY 06-07

After brief discussion, Larry Anderson was nominated as Chair and Julie Carter was nominated as Vice Chair of the Executive Committee.

/M/Anderson/S/Steele/C/unanimously approved

APPROVAL OF COMMITTEE SCHEDULES:

Committee schedule was approved as presented.

/M/Anderson/S/Carter/C/unanimously approved

5. RISK MANAGEMENT PROGRAMS – UPDATE AND FUNDING:

Marcus Beverly, Risk Manager, presented the staff report and an overview of our progress in implementing our Risk Management Policy. The committee and staff discussed various aspects of the programs, including how to get members to take full advantage of the services offered. Staff and our consultants will continue to contact members to get the best practices completed by the end of the year.

Staff requested one change in funding levels for our FY 06-07 programs, increasing the best practices to \$125,000, for a total commitment to new funding of \$575,000.

The committee reviewed and approved funding as presented, with increase noted above.

M/Carter/S/Anderson//C/unanimously approved.

6. ACTUARY COMMITTEE REPORT – LOSS FUNDING:

Marcus Beverly presented the staff report with funding recommendations and an overview of Bickmore Risk Services' draft report regarding the PLAN'S Liability Program as of June 30, 2006. The committee was presented with the Actuary Committee's recommendation that we increase the total limit to \$15 million with an additional \$5 million self-insured layer above the excess insurance.

After review and discussion the committee agreed to recommend funding as presented to the Board. /M/Carter/S/Steele/C/unanimously approved

7. FINANCE COMMITTEE REPORT:

Jim Steele and Marcus Beverly presented an overview of the Committee's activities, including the audited financials as of June 30, 2005, and the PLAN's Investment Performance Report as of March 31, 2006.

Total assets have increased to just over \$45 million, with \$2.7 million in claims paid through March 2006. We continue to maintain our investments within the Policy guidelines, and no changes are recommended to the Policy at this time. We should have between \$3-5 million to invest after funding is received for FY 06-07.

After discussion and review the committee approved the Financial Report as presented.

/M/Anderson/S/Carter/C/unanimously approved.

Jim Steele also presented the Audited Financial Statements as of 6/30/05. After discussion and review committee approved the Financial Statements as presented.
/M/Anderson/S/Carter/C/unanimously approved.

8. CLAIM COMMITTEE REPORT: INFORMATION

Marcus Beverly presented a brief update on the activities of the Claims Committee, including the results of our claims management audit and significant claim settlements.

We continue to do well in our audits, with the one exception noted in diary follow up on a number of claims. This has been addressed by requiring all the examiners to use the diary system in our claims software, to allow for consistent management follow up.

Our claim settlements over the past year have returned to a more normal level and type of case. Our largest settlements have been for crosswalk design, a slip and fall, and final resolution of the Colma Creek flood claims for South San Francisco.

9. PROPOSED ABAG PLAN BUDGET – FY 2006-07

Marcus Beverly presented the proposed budget for funding administrative expenses of the PLAN. After review and discussion the Committee approved the recommended budget as presented. /M/Korb/S/Dilles/C/unanimously approved.

Note: Item #10 was discussed in closed session pursuant to the requirements of the Ralph M. Brown Act.

Convened to close session @ 11:05 a.m.

10. CONFERENCE WITH LEGAL COUNSEL –ANTICIPATED OR EXISTING LITIGATION

*** Pacifica VS ABAG PLAN**

11. Announcements:

Jim Steele announced open session @ 11:30 a.m. that there was no reportable action taken in closed session.

12. STRATEGIC PLANNING & WITHDRAWAL POLICY UPDATE:

Marcus Beverly presented a review of topics for our next strategic planning meeting and an update concerning feedback received from members and the Actuary Committee regarding a proposed revision to the recommended withdrawal policy.

After review and discussion there was no action taken at this time. The Committee requested staff to delay further discussion and consideration until the October Board planning meeting, where the topics can be discussed in more detail.
/M/Korb/S/Anderson/C/unanimously approved.

13. OTHER BUSINESS

None

14. ADJOURNMENT

12:20 p.m.

Respectfully Submitted,



Marcus Beverly
Risk Manager & Secretary
ABAG PLAN Corporation

/cj